SKANDINAVISKA KREDITAKTIEBOLAGET

Bank founded 1864. Capital and Reserves: Kronor 162,000,000.

Gothenburg Stockholm Malmö

No. 2 *April*

QUARTERLY REPORT

issued by

the Statistical Department

1938

CONTENTS:

The Guiding Principles of Monetary Policy.
By Professor Gustav Cassel . . . . *Page* 27
The World Population Problem.
By K.-G. Hagstroem, D. Sc. . . . . » 31
Aktiebolaget Volvo . . . . » 37
The Economic Situation during the First Quarter of 1938 . . . . » 42

All communications regarding this Quarterly should be addressed to
SKANDINAVISKA KREDITAKTIEBOLAGET, Stockholm 16 (Sweden).

SKANDINAVISKA KREDITAKTIEBOLAGET

Gothenburg *Stockholm* *Malmö*

Board of Directors

Chairman: H. Mannheimer.
Deputy Chairmen: Henry Dunker, M. Waldenström.
Other Directors: Gunnar Dillner, Nils Winkler, H. Wachtmeister.
Theodor Wijkander, Mauritz Carlson, Hakon Leffler, C. F. Tranchell, Eliel Löfgren,
Ernst Wehtje j:or, Carl Joh. Malmros, Uno Forsberg, Erik Leman.
Deputy Directors: Åke Belfrage, E. C:son Herslow, Ivar Åkerman,
P. O. Westerberg, C. G. Liedberg, Knut Östberg.

Managers

Gothenburg

Åke Belfrage *(Managing Director)*, E. Lundberg *(Deputy Managing Director)*,
E. Rödjer, O. Öhrström.

Stockholm

E. C:son Herslow *(Managing Director)*, P. Brundell *(Deputy Managing Director)*,
F. Belfrage, F. von Celsing, Per Widén, F. Ahrén, E. Björkman,
E. Kjellberg, S. Malmström, G. Mannheimer.

Malmö

Ivar Åkerman *(Managing Director)*, A. Rüder *(Deputy Managing Director)*,
G. Andersson, A. Lindahl, Alv. Ehrnberg, C. Lindskog.

THE GUIDING PRINCIPLES OF MONETARY POLICY

BY PROFESSOR GUSTAV CASSEL

So long as the gold standard existed, the financial authorities could content themselves with managing the monetary system in such a way that the fixed gold parity was maintained, or, in other words, so that the price of gold remained constant, or at any rate was permitted to fluctuate only within very narrow limits. It should, one might suppose, be self-evident that the gold standard cannot be abandoned without setting up some other standard for regulating the purchasing power of money. It can scarcely be said, however, that this simple conclusion has been drawn clearly and consciously in any other country than Sweden. In 1931 Sweden adopted the maintenance of a certain degree of stability in the general level of commodity prices as a standard for the purchasing power of the krona. This standard was subsequently adjusted by specifying the price level which was to be kept constant. That the country has derived much benefit from this financial policy should not be denied. After the London Conference of 1933, however, the Riksbank abandoned the adopted standard, and has substituted for it a fixed rate of exchange for the pound sterling as a basis for the stability in the value of the krona. So long as the pound was maintained at a stable purchasing power, this change did not affect the objective of Sweden's monetary policy. But since the middle of 1936 the Swedish krona has been subject to the same disturbing fluctuations as the world currencies, and a question which is insistently pressing for an answer is: how are these currencies regulated? If we endeavour to reply to this question, we shall come to the highly sensational conclusion *that at the present time a definite and recognized standard for the regulation of the purchasing power of money does not exist at all in the world.*

True that the President of the United States at the time of the London conference set up the programme that the dollar should henceforth retain a stable purchasing power in relation to commodities, and that he reiterated this declaration in 1937. But, as I mentioned in the preceding issue of this quarterly, the Governors of the Federal Reserve System have proclaimed an entirely different view, and have set up as the objective of monetary policy a maximum sustainable utilization of the Nation's resources. Thus at the present moment nobody knows what is the objective of American monetary policy. The business world is left in perpetual uncertainty as to how the value of the dollar will pan out even in the immediate future. "The maximum utilization of the Nation's resources" is such a vague programme that nobody can deduce from it at any given moment what monetary policy will be pursued, or what value the authorities will give the dollar. The latest trade depression has in fact shown how the Federal Reserve Board have failed to carry out this programme. Nobody can be surprised if the business world is exposed to violent disturbances, when it has to work under such uncertainty in regard to the basic conditions for all economic action.

The President has also taken important measures which are manifestly at variance with the rational monetary programme he had himself set up. This occurred, for example, when he yielded to pressure from the silver interests, and, by fixing a certain price for silver, pegged the dollar also to that metal. Many people suppose that American bimetallism is not seriously meant, and that it can be disregarded in looking for the standard by which the value of the dollar is regulated. This is scarcely correct. In any case, as recent experience has shown, the ambiguity in the American silver purchase policy has had a rather disturbing effect on the value of the dollar.

England too is without a recognized monetary programme. The British Government did indeed declare at the London Conference that they desired the purchasing power of the pound sterling to be so regulated as to enable a stable price level, somewhat higher than the existing one, to be maintained. The Bank of England, however, has never adopted this programme, but prefers in lofty aloofness to remain unfettered by any commitments. The Government declaration of 1933 also contained a clause regarding "cheap money", and this item has indeed been carried out with great thoroughness. The Bank of England since 1933 has maintained unchanged a discount rate of 2 per cent. The maintenance of such a low bank rate, however, is by no means a factor which makes for stability in the business world: on the contrary, it is bound to produce inflation whenever business enters a period of expansion and a considerable shortage of capital begins to make itself felt. Economic theory has long been perfectly clear on that point. In pre-war bank practice it was in fact regarded as an axiom that a rise in the bank rate must be used as a weapon against any marked tendency towards a rise in the general level of prices. Since the abandonment of the gold standard the directors of the central banks have evidently been under the delusion that they were now relieved from any such considerations. How thoroughly they have been mistaken in this matter has, however, been shown, in a rather dramatic way, by the inflation which developed in England after the middle of 1936, and which in the course of one year raised the general price level by no less than 20 per cent. It should particularly be noted that this price advance occurred during a boom, when it could no longer be justified in any way as a means for combating a trade depression. By intensifying the boom, this marked inflation has proved to be a very mischievious factor in the economic trend.

In British currency policy, however, another tendency can be discerned, namely the endeavour to counteract a rise in the value of the pound sterling relatively to the dollar. On the American side a similar policy is being pursued, but, of course, in the opposite direction. On both sides immense exchange equalization funds have been accumulated to bolster up these endeavours. This "balance of power" has led to some stabilization of the pound-dollar rate of exchange. In the so-called tripartite agreement of September 1936 the desire to maintain such a stability was actually proclaimed on both sides. France, the third party to the agreement, has subsequently shown by a considerable devaluation of the franc how little binding force there is in the agreement. As regards the relation between the pound and the dollar, however, it may be looked upon as an indication of some desire to avoid any marked disturbances in the rate of exchange. Thus, in so far as the pound can be considered to be pegged to the dollar, there is the same utter uncertainty in regard to the regulation of the value of the pound relatively to commodities as in the case of the dollar. Hence the whole of the rest of the world is exposed to the same uncertainty.

The world, however, cannot dispense with some standard for its monetary system. This standard must be looked for in some kind of *price stability*. The purport of this article is precisely to show that any other standard is unacceptable.

In order that trade and industry may develop in a normal way, we must be in a position to reckon with some stability in the purchasing power of money. In countless transactions, including loans, wage agreements and a great variety of other engagements to pay fixed sums in money, the public proceed from the assumption, which in their view is self-evident, that the monetary unit they have to reckon with in the fulfilment of a contract is the same as that with which they calculated on the conclusion of the contract. Seeing that the public actually believe this, and take it into account in entering into engagements, a monetary policy which in this vital matter aims at something totally different and thus directly misleads the public must be regarded as intolerable. This reason alone seems to be sufficient to warrant us in setting up as the objective of all monetary policy a stable purchasing power in the monetary unit.

But there is also another reason which makes such a standard imperative. As the experience of the period of inflation after the middle of 1936 has amply shown, a general rise of prices leads to a scramble for goods. Producers and dealers endeavour to provide themselves in good time with the raw materials or manufactured goods which they require for their business. Speculators intervene and buy in anticipation of a further price advance. Even the consumers proceed in similar fashion. The price advance thus entails very serious disturbances in the business world at large. Quite as mischievous consequences ensue from a general fall of prices. Producers and dealers then restrict their purchases or postpone them as long as possible, whilst the consumers adopt a similar attitude. Speculators in a fall then sell, in the expectation of being able to cover themselves later on by purchases at lower prices. Thus, if the leaders of monetary policy desire to promote stabilization in industry and commerce, they should endeavour to check both rises and falls in the general level of prices. But we are then inescapably forced to accept a stable level of commodity prices as the objective of monetary policy, simply because changes in that level entail inordinate profits and losses, the mere possibility of which is a disturbing factor of the first magnitude.

It is in fact this risk that makes a return to a gold standard impossible. Under present conditions gold has no fixed value, in that the scarcity of gold is far too dependent on arbitrary measures of monetary policy. Thus, even if a fixed gold parity were maintained, this would afford no guarantee against very considerable changes in the general level of prices.

But once a stable level of commodity prices has been accepted as the objective of monetary policy, one must not leave room for any doubt on this subject. The Government and the directors of the central bank must openly declare that their intention is to maintain a fixed level of prices, and they must also assume complete responsibility for the execution of this policy. Everything depends on the public gaining confidence in the carrying out of the programme. If the authorities succeed in creating such confidence, they will then also have eliminated the factors which tend to cause serious disturbances in the general price level, and the intended stability can then be maintained without any drastic interventions.

If, for example, on the advent of the economic crisis in 1929, the Federal Reserve Board, with the whole-hearted support of the United States Government, had declared that no general fall of prices would be permitted, and that the existing price level would be maintained with the aid of all the resources at the disposal of the authorities, such a consummation would undoubtedly have been possible, and the whole world might have been spared at any rate most of the pernicious effects which the ensuing depression carried in its train. Similarly in 1937. At that time there were no disturbances in the business world of such a serious character that they could not have been adjusted, so as to render possible a continued period of prosperity. The American crisis was due to the fact that the business world began to doubt whether the price level would be maintained. These doubts were too well fostered by the restrictive measures of monetary policy adopted by the authorities, the psychological effects of which could not be effaced by very inconsistent measures taken in the opposite direction.

A monetary programme should obviously be so clear and definite that the general public at any given moment will be itself in a position to judge what is likely to happen. If we insist on this, we shall have to relinquish all those requirements that have been devised by subtle theorists, or have been set up by the directors of central banks in order to avoid having any responsibility brought home to them. So long as monetary programmes are so vague that the general public cannot judge how they will be applied at any given moment, they are valueless for the purpose of economic stabilization.

The maintenance of a fixed level of commodity prices cannot, of course, be regarded as an absolute ideal. This is evident from the mere fact that there is something arbitrary in the very selection of a price index. But the chief value of such a programme lies in the fact that it is intelligible, and that people know at any given moment how it is to be interpreted. Even if it could be shown that such a programme is impaired by certain defects, these will not be so serious that the business world cannot readily adjust itself to the programme. If any lesson has been brought home to us by our post-war experience, it is this: that the business world has a wonderful capacity for adjustment, once it has been made perfectly clear what it has to adjust itself to. It is a definite and fixed standard for the value of money that is above all things required for the healthy development of trade and industry. If the true significance of this practical requirement were once thoroughly grasped, all this tiresome discussion about objectives could be dropped, and the authorities could devote themselves instead to taking immediate measures which would conduce towards real stabilization and thus to a revival of prosperity.

THE WORLD POPULATION PROBLEM

BY K.-G. HAGSTROEM, D. Sc.

The background of all economic activity are human desires — one might also say *needs,* if that term is used in a sufficiently wide sense — and the endeavours made to satisfy them. The population of a country constitutes the great market on which its economy is based, and the various branches of industry and commerce are vitally dependent on the trend of that population. But it is only in recent years that the great economic importance of population statistics has been generally realized. The reason of this awakened interest is well known: the menace of future depopulation, which can be statistically verified as regards several of the leading nations of Europe. Since the beginning of the twentieth century a number of countries have shown so markedly and so persistently falling birth rates that people have at last got seriously alarmed, beginning to fear that we are confronted with a *definitive* change in the reproductive power of the population. According as these apprehensions have spread beyond the narrow circle of professional statisticians, an increasing number of contributions have been made to the literature of the subject. Investigators have attempted to throw light on the phenomenon by endeavouring to ascertain its causes, and have proposed various remedies against it. That we are concerned with a deplorable trend has in recent times been generally recognized, despite lingering fears of over-population, instilled in particular by the theories of MALTHUS. Among the experts who have devoted themselves to this problem, mention may be made of BORTKIEWICZ, BÖCKH, KUCZYNSKI, SPENGLER, LOTKA, HONEY, ENID CHARLES, CARR-SAUNDERS, KORHERR, and in this country S. D. WICKSELL, H. CRAMÉR, G. MYRDAL.

Table 1. Net Reproduction Rate in Various Countries.

(= the probable number of girls to whom a newly born girl will give birth, assuming that the rates of fertility and mortality remain constant.)

Country	1885	1890	1895	1900	1905	1910	1915	1920	1925	1930	1931	1932	1933	1934	1935
Sweden	1.5	.	1.4	.	1.4	.	1.2	.	1.0	0.83	0.78	0.76	0.71	0.70	0.70
Norway	1.5	.	.	.	1.6	.	1.4	.	.	.	.	.	.	.	.
Denmark	.	1.5	.	1.5	1.5	1.4	1.3	1.2	1.1	.	.	.	0.9	.	.
Finland	1.5	.	.	.	1.4	.	1.2	.	1.1	.	.	.	0.9	.	.
England and Wales	.	.	.	.	.	.	.	1.1	.	.	0.81	.	0.73	.	.
Germany	1.4	.	1.5	.	1.5	.	.	.	0.9	0.8	.	.	0.7	.	.
Austria	.	.	.	1.4	1.4	1.4	.	.	.	0.8	.	.	0.7	.	.
Hungary	.	.	.	1.4	.	.	.	1.1	.	1.0	.	.	.	.	.
France	.	.	.	1.0	.	0.9	.	1.0	0.9	.	.	.	0.8	.	.
Italy	.	.	.	.	.	.	.	.	.	.	1.2	.	1.2	.	.
Portugal	.	.	.	.	.	.	.	.	.	1.3	.	.	1.3	.	.
Bulgaria	.	.	.	.	1.8	.	.	.	1.4	.	.	.	1.3	.	.
Ukraine	.	.	2.0	.	.	.	.	.	1.7	(1.3)	.	.	.	.	.
U. S. A.	.	.	.	.	.	.	.	1.1	.	1.1	.	.	0.9	.	.
Australia	.	.	.	.	.	.	.	1.3	.	.	.	.	1.0	.	.
New Zealand	.	.	.	.	.	.	.	1.3	.	.	.	.	1.0	.	.

The rates of fertility and mortality of a country — the two factors which determine the population trend — may be gauged with the aid of the so-called "net reproduction rate", introduced by KUCZYNSKI. This term signifies the probable number of girls to whom a girl now born will give birth, estimated on the basis of the existing fecundity and mortality. If this figure is larger than 1, the maintenance of the present fecundity and mortality would lead in the long run to an increase of population. But, if the rate is less than 1, the population is not being properly reproduced, and will at last show a decrease.

Estimates of the net reproduction rate have for some time past been given in the statistical publications periodically issued by several countries, for example in the Swedish yearbook entitled *"Befolkningsrörelsen"* (the population trend). Figures for a number of countries, based on estimates made by KUCZYNSKI, but supplemented to some extent from other sources, are given in Table 1. The pessimistic tendency of these figures is manifest.

The Trend of Development up to the Present.

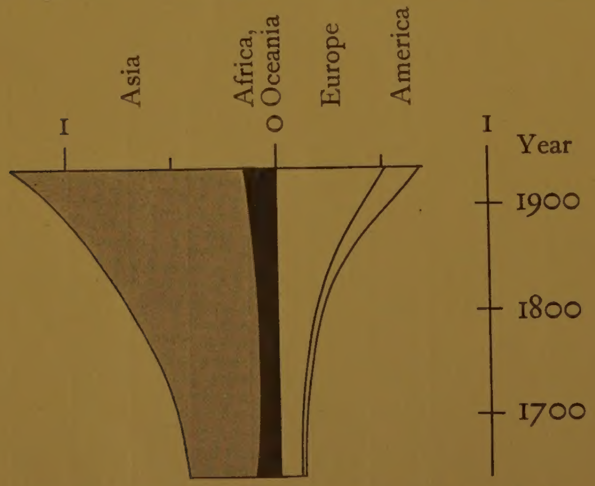
The situation in Scandinavia and western Europe implies that a decrease of population is of probability may be anticipated within a near future. In view of these prospects, the consequences of which are not easily grasped, a historical retrospect seems to be warranted. immediately impending, or with a great degree

Exact statistical data are, as we know, unusual when we go back to historical times. In regard to the population trend there is the additional difficulty that there are still large parts of the globe where the peoples are, relatively speaking, unnumbered — a fact which must seem curious to those who live in a western country with registration and an endless variety of statistical returns. Several investigators, however, have tried to supplement the incomplete figures by rough estimates, and thus to obtain approximate data in regard to the world population trend. In the nature of things such figures must be very uncertain. As regards those for Asia and Africa the margin of error is particularly large.

One of the latest estimates of the world population is reproduced in Table 2. None of the investigators have ventured to carry their estimates further back than the year 1650.

The results are graphically shown in Diagram I. It will be seen that the existing population of some two milliard souls are the descendants of somewhat over half a milliard forefathers in the middle of the seventeenth century, and that the trend during this entire period of 285 years has exhibited *a continuous increase*. This applies

Diagram I. Development of World Population.



The distances between the figures 0 and 1 above denote 1,000 millions of population.

Table 2. Estimate of World Population.

CARR-SAUNDERS' figures, based on estimates by W. E. WILLCOX and the League of Nations (for 1933).

Millions

Division of globe	1650	1750	1800	1850	1900	1933
Europe	100	140	187	266	401	519
North America	1	1.3	5.7	26	81	137
Central and South America	12	11.1	18.9	33	63	125
Oceania	2	2	2	2	6	10
Africa	100	95	90	95	120	145
Asia	330	479	602	749	937	1,121
Total	**545**	**728**	**906**	**1,171**	**1,608**	**2,057**
Medium increase per annum in % (till beginning of next period)	0.29	0.44	0.51	0.63	0.75	

not only to the world at large, but also, broadly speaking, to its separate parts. It should be noted, however, that there have been some great movements of population: the migration of negroes from Africa to America, the immigration of white races into North America and Australia, etc. But, as these movements, generally speaking, have involved relief from the pressure of a surplus population, they have not necessarily resulted in any marked decrease of population in the area from which migration had taken place. A general increase still remains the rule.

Viewed against these perspectives, the situation in north-western Europe assumes a still more striking aspect: it looks as though we were confronted with a catastrophic phenomenon, interrupting a secular trend of development.

A Historical Retrospect.

In endeavouring to discard the anomalous character of the population trend, we shall have to extend our historical perspective. One of those epochs in the history of mankind which, one would think, might give us an insight into the population question, comparable to that afforded by the statistics of modern times, is that of the Roman Empire about the beginning of the Christian era. During that epoch of high culture there existed, as we know, an institution called the *census*. Originating in the time of the Kings of Rome, it was transmitted through the republican period, and was developed by the Roman Emperors. Originally confined to an enumeration of the male population of military age, it was extended in the time of Augustus into a census of free citizens in general, men, women and children. The scientifically minded Emperor Claudius, in a preserved inscription, points out the true significance of the census, in that he states that its sole significance is to make known the resources of the realm *(ut publice notae sint facultates nostrae)*.

From the secular period before and after the beginning of the Christian era the results of four censuses are preserved. They are tabulated below:

Year after foundation of Rome	Year B. C. or A. D.	Number of citizens according to census	Annual increase till next census	Emperor
725	− 28	4,063,000	0.21 %	Augustus
745	− 8	4,233,000	0.73 %	Augustus
766	+ 14	4,937,000	0.57 %	Augustus
800	+ 48	5,984,000		Claudius

Here too we find ourselves in a rather flourishing period with a growth of population comparable to that of the modern world during the latter half of the nineteenth century. Though the figures indicating growth of population may include some additions due to grants of citizenship, it seems scarcely likely, especially in view of Augustus' cautious policy in this respect, that they can appreciably have affected the general picture.[1] A comparative study of price curves drawn up on the basis of the scanty data in the literature and in inscriptions[2] indicates that the two first periods (28 B.C. up to 14 A.D.) had the character of a boom with rising prices, whilst the third period (14 A.D. up to 48 A. D.) was marked by a price decline. This decline manifested itself in a diminished rate of population increase, which, however, did not fall below 0.57 per cent. a year, as compared with 0.73 per cent. during the immediately preceding period.

It is evident, however, that the empire of ancient Rome also passed through periods of decreasing population. To judge by the census figures, such a period seems to have occurred as far back as in republican times, namely from 164 to 136 B.C., being the result of evils such as those which led to the agrarian reforms of Tiberius Gracchus. Even during the period of prosperity a decline of the birth rate was considered to be impending. Augustus accordingly established — in the form of laws called *lex Julia et Papia Poppaea* — a system of rewards for married citizens, especially those with many children. It is interesting to study the observations made by classical authors on the immorality of the times, the diclining frequency of marriage, and the "birth strike" on the part of the

---

[1] According to a pessimistic view, the census figures disguise a declining rate (KORHERR).

[2] See Nordisk Försäkringstidskrift 1936: En folkförsäkring under romerska kejsartiden.

Roman matrons. Pessimism seems to have been the dominant mood of the cultured classes during the period which marked the incipient decline of ancient Rome. An outside spectator may perhaps have been under the impression that this gloomy tone resulted from the self-contemplation of a dissolute and increasingly sterile people. But is it not conceivable that pessimism may have been the primary factor, and that the decay of morals as well as the birth strike were due to the loss of the mental buoyancy which goes with an optimistic view of life?

From the restless Middle Ages with its migrations, its raids, its pilgrimages and crusades, no statistics have been preserved which would enable us to survey the movements of population in those times. There are indeed records of local depopulation owing to pestilences, etc. But even in the case of such phenomena migrations played a leading part. As for those races which are said to have "perished", they seem to have largely survived by incorporation in the conquering races. Thus the blood of Roman legionaries has been transmitted down to the present descendants of Galls or Teutons, whilst inherited features from Goths or Vandals survive among the descendants of the peoples by whom they had been conquered.

On a historical view, a decrease of population on any wide scale appears to have been a rare phenomenon. This impression is perhaps partly due to the fact that the last voices heard from a culminating culture are the lamentations of moralists over the depravity of the times and that the following period of real decrease is silent. Next voice from the past will be heard from quite different quarters. For the natural element of literature is the spirit of youth and success.

A Picture of the Future.

As has often been pointed out, a circumstance which makes it particularly difficult to judge the situation is the lack of birth and mortality statistics for large parts of the world. The available net reproduction rates merely inform us that the population trend in north-western Europe distinctly points to regression, that, with the exception of eastern Europe, the birth rate has been declining also in other European countries, and that there are indications of a similar tendency in North America. The situation, however, may be rapidly changed by economic or political events. As regards some countries, a period of declining birth rate seems inevitable, whilst in others such a contingency may conceivably be averted by a change in the movement of the birth-rate curve. In these circumstances, it is especially hazardous to forecast the population trend.

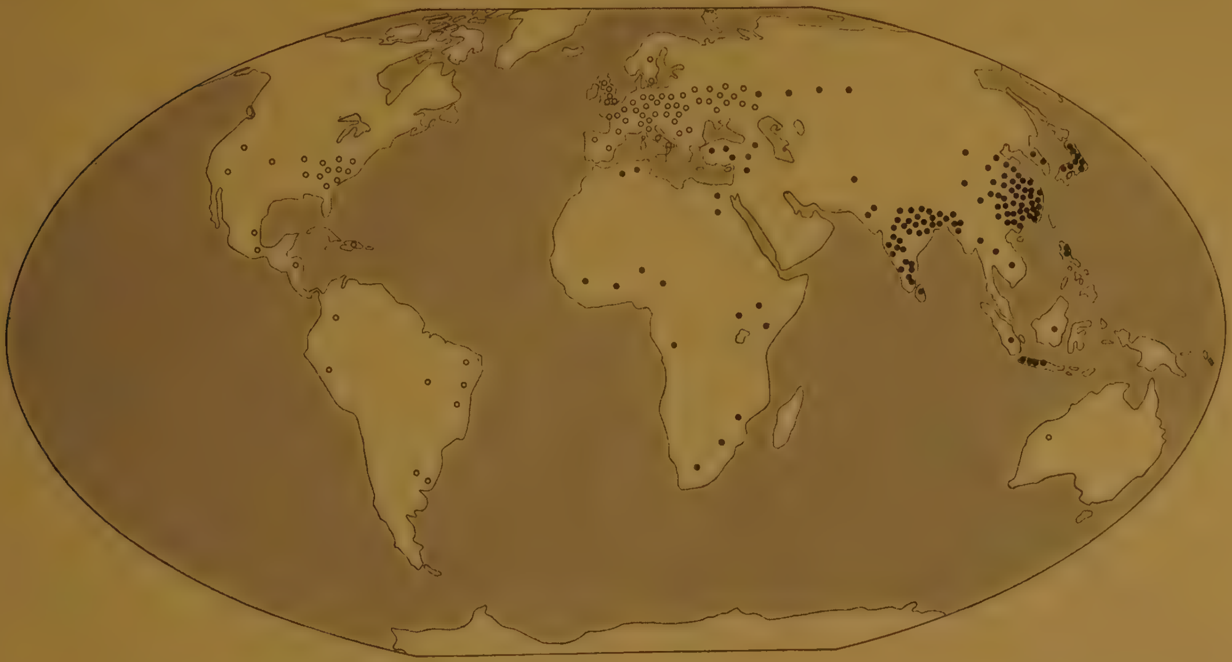
Nevertheless it may be of interest to try to discover what would happen if the population trend continued, broadly speaking, *as hitherto*, that is to say, if the destructive forces were not given complete liberty to exercise their sway. Some reaction against them is certainly to be expected: as has often happened, the productive forces may break through even at a time when things look darkest.

The results of such an investigation are summarized in Table 3. It shows (1) the world population in the year 1935, tabulated according to the areas into which it may appropriately be grouped, (2) the estimated rate of annual increase during the last fourteen years, (3) the presumed rate of annual increase in the course of the next sixty-five years, and (4) a rough estimate of the world population in the year 2,000, based on the figures in the preceding columns.

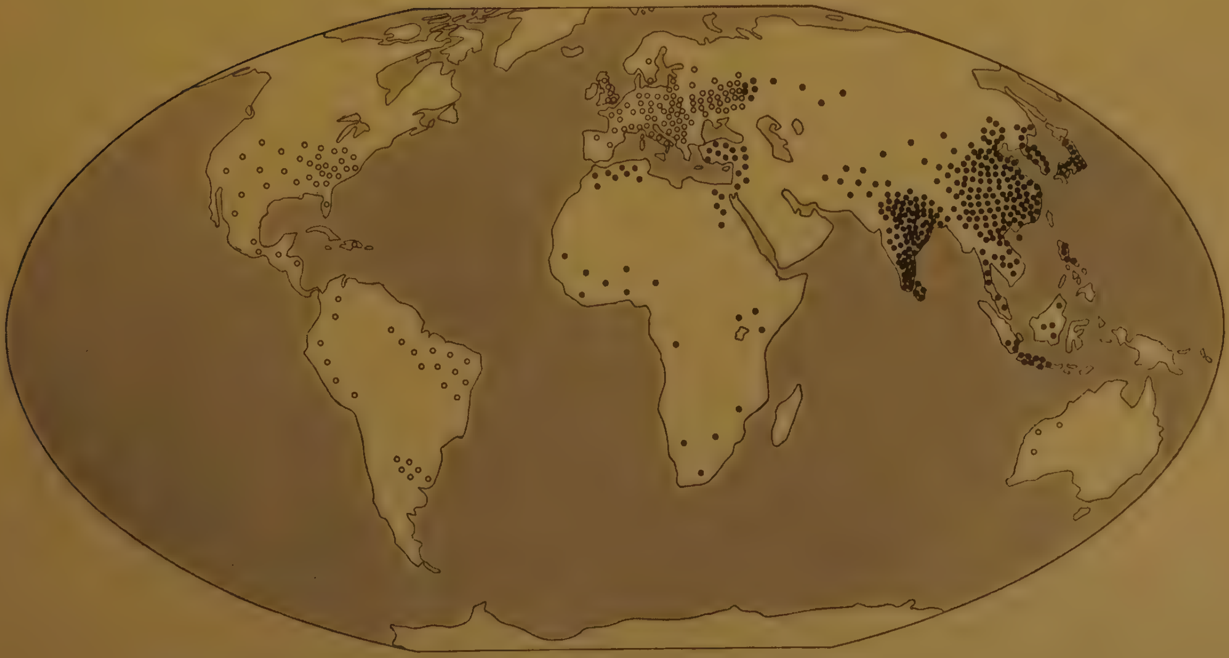
The figures in column 3 are based on the assumption that the rate of increase will show some decline throughout, in view of the prevailing trend, which seems to be universal. For north-western Europe, however, we have estimated the rate of increase as nil. Seeing that our forecast does not extend beyond the year 2000, we have not thought it necessary to reckon with an actual decrease of population in those countries, despite of its probability. The decrease would in any case be too small appreciably to affect the picture for the year 2000.

The results of this investigation are shown also in the form of two statistical maps of the globe, in which each dot represents 10,000,000

In 1935



In 2000



Each dot represents 10 millions of population. White dots relate to Europe, America and Australia, black dots to other parts of the world.

Table 3. Rough Estimate of the World Population in the Year 2 000, Compared with the Figures for 1935.

Area	Million souls in 1935	Annual rate of increase in the last 14 years, per cent.	Presumed rate of annual increase up to the year 2000, per cent.	Rough estimate of world pop. in the year 2000
Scandinavia and Finland	16.6	0.5	0	17
British Isles	50.3	0.5	0	50
Romance countries of Southwest Europe	125.2	0.8	0.25	147
German Central Europe	85.8	0.8	0.25	101
New East Europe	112.2	1.3	1.25	252
Soviet Russia	165.8	1.4	1.25	372
China, Manchuria, etc.	451	2?	1.5	1,190
Japan, Korea, Formosa	100	1.7	1.5	263
Indian Archipelago	76	1.7	1.5	200
India and Indo-China	423.8	2.1	1.5	1,110
Western Asia with Turkey	54.2	2.2	1.5	143
Africa	150.2	1.1	1	287
Australia and Oceania	11.0	1.8	1.5	29
North America	141.1	1.5	1.25	316
Central Ameica	36.4	0.8	0.5	50
Spanish South America	43.7	1.8	1.5	115
Brazil and Guiana	42.7	2.1	1.5	112
Total	2,086	1.4	1.3	4,754

souls. The dots, however, are not intended to give any exact idea of the areas in which the population will presumably have settled. Such a marked increase at that with which we have calculated would naturally lead to some movements of population. These might possibly take the form of great migrations, connected with the distribution of raw materials between the different parts of the world. It is also conceivable that the development of communications may result in bringing the countries together in a way which we cannot now foresee. But, quite apart from all flights of fancy regarding technical progress, it seems certain that the area of the globe would amply suffice for a growth of population on the envisaged scale.

However imperfect the above picture may be as an indication of the probable population trend, it seems to force us to the conclusion — which would presumably find support in other similar forecasts —, that the centre of gravity of the world population is going to move. The centre of the white race in Europe will presumably be shifted southwards and eastwards, and it is particularly probable that the American peoples will assume a still more dominant position among that race. The key to the world population problem will be found, as before, in Asia. The grand drama will presumably proceed on the stage where it seems to have taken its origin in the morning of time. The nations of north-western Europe will be able to assert themselves only so far as their technical skill, power of organization, or financial ability enable them to participate in the life of the vast masses in the thickly populated regions of Asia.

The consequences of the presumable population trend, especially as regards Sweden and neighbouring countries in Europe, will be surveyed in a coming article. They are partly internal, being connected especially with changes in the distribution of age-groups, partly external, in that the position of individual countries is greatly dependent on the world situation.

A world population trend on the lines adumbrated involves many disquieting features, but also much that is reassuring. A luxuriant growth of population in Asia, concurrently with retarded growth in Europe, without replenishment by immigration, may entail an extension of European technical science and a further dissemination of European civilisation. In this way employment may be provided for the peoples of north-western Europe, who have reached a high standard of technical skill. Only if the progressive peoples shut out immigrants from Europe, resist European influences and check the importation of European products, will the situation of the white race become really serious. Friendly understanding and cooperation between the nations are essential for prosperous developments: peace — also in Europe — is therefore of vital importance. The friction between the nations must be mitigated and give place to tolerance — especially in regard to political programmes and theories, those imperfect products of the human mind, the importance of which seems likely to be exaggerated, thus augmenting the risk of dissensions and war.

AKTIEBOLAGET VOLVO

SWEDISH AUTOMOBILE FACTORY

The technical resources for the manufacture of automobiles in Sweden are of the best. Swedish steel, world-renowned for its superior quality, is bought on a large scale by foreign makers of automobiles for use in machine parts which are exposed to particularly severe strain. Moreover, Swedish workshops have long been organized for high-quality production and precision work.

The first attempts to start a domestic manufacture of automobiles in Sweden were made as far back as the beginning of the present century. Nevertheless this country can scarcely be said to have possessed an automobile industry of importance until the creation of Aktiebolaget Volvo in 1926.

The explanation of the Volvo Company's success in a field where their predecessors had more or less failed is to be found in a happy combination of personal, economic and technical factors. Though it is scarcely possible to say which of these factors has played the leading part, it is certain that the way in which the production was organized has largely contributed to the Company's success.

Unlike the companies which had previously ventured on the manufacture of automobiles in Sweden, Volvo produce their automobiles by the assembling system. Thus the work at the Company's plant at Gothenburg is confined to the assembly of the cars and chassis, including painting, trimming, etc. As for the various parts, they are made by special firms distributed all over the country. This system was modified in 1930 when Volvo purchased the Penta Works, which had supplied them with motors. Since this acquisition the motors used in the Volvo cars have virtually been Volvo's own production.

On the other hand, all the parts of the cars are *designed* by the Volvo Company — with the obvious exception of standard parts, such as electric fittings, carburettors, shock absorbers, wheels, etc., which all automobile makers purchase from outside. For example, a rear axle is first designed to the minutest detail by the Company's engineers. On the basis of these designs, orders for the different parts of the axle are distributed among various firms. In this way Volvo have as perfect control over the design of their cars as those makers who manufacture the different parts at their own plants.

In cooperating with their suppliers, Volvo have greatly profited from the elaborate care exercised by Swedish machine shops on precise measurements. The credit for this is largely due to the world-renowned gauges invented by the Swede C. E. Johansson, which have been brought into extensive use also in foreign industries. With the aid of this system of gauges the machine parts of the cars can be made with the minute precision necessary for assembling.

The assembling system, or »Volvo-method» production, as it is now often called, was originally adopted because it was practically impossible to start in any other way. At the outset there was no possibility of creating the necessary interest and procuring the capital needed for the erection of a plant and for the purchase of the extensive machine equipment required for the making of machine parts on the premises. Considerable time would have elapsed before production at the Company's own plant could have been started.

As it happened, however, this system proved to be highly advantageous also in the sequel. Each machine part is ordered from the firm which is best qualified for the manufacture of that particular part, and is made under the control of experts in that line. Another advantage of this arrangement is that it facilitates the use of special machines which reduce the cost of production, even where it is on a rather modest scale. These machines can be employed for other production of a similar character during the time when they are not required for the making of automobile parts.

This system naturally places the Company in a particularly favourable position to meet times of trade depression, seeing that it relieves them from the burden of onerous investments in plant and machinery. Fortunately, however, the Volvo Company have not yet had occasion to avail themselves of this advantage, as, apart from a single year, their production has shown a steady increase since the outset.

When times are bad, contractors are, of course, eagerly on the look-out for orders. In times of prosperity, however, the situation may be reversed, and difficulties may arise in getting orders executed. But, in the relations between the Volvo Company and their contractors, the effect of the present boom has merely been that the latter have been anxious to make somewhat larger profits. This, however, they have been able to do by receiving orders for considerably larger quantities, so that their costs per unit have been reduced. The contractors have therefore not found it necessary to raise their prices in any marked degree, and the Volvo system of production has not been upset by the boom.

The Volvo Company now have contracts with some hundred Swedish firms for the supply of parts. The geographical distribution of these firms is shown on the accompanying map. The largest of them are:

AB. Bofors (arms manufacturers),

Svenska Stålpressnings AB. Olofström (makers of rubber-goods),

Svenska Gummifabriks AB., Gislaved (makers of rubber-goods),

AB. Svenska Kullagerfabriken (makers of the famous SKF ball bearings),

Köpings Mekaniska Verkstads AB. (engineering workshop),

Husqvarna Vapenfabriks AB. (engineering workshop).

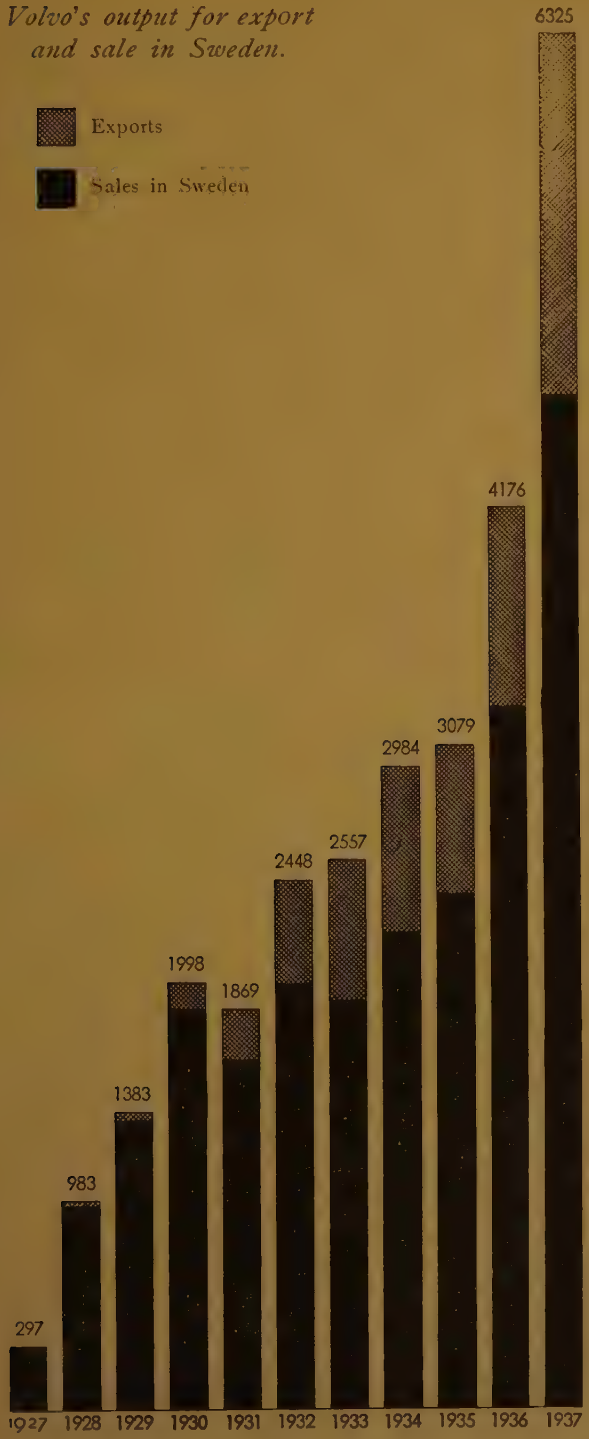
The aggregate number of hands employed on the making of parts for Volvo cars at the establishments of the Company's contractors is about 2,500. The number of employees at the Company's own plant at Gothenburg is 600 and at the Penta Works about 900. The Volvo Company thus provide employment for some 4,000 hands.

The services of independent firms are employed also for the *sale* of the Volvo cars. The Company have established subsidiaries only so far as this has been found absolutely necessary. They have one subsidiary in Sweden, at Malmö, and two in foreign countries, namely in Finland and the Argentine. The number of dealers in Sweden (see the map) is 63: they employ altogether some 600 men. The Company also have representatives in some twenty foreign countries.

This organization has developed out of humble origins. The domestic manufacture of automobiles was initiated by Assar Gabrielsson, then sales manager of AB. Svenska Kullagerfabriken (SKF), and Gustaf Larson the technical manager of AB. Galco, Stockholm. They had started preparations as far back as the autumn of 1924, and by June 1925 the designs of a small four-cylinder passenger car had been completed. Attempts were made to procure capital for starting manufacture on an industrial scale, on the basis of the existing designs, but proved abortive. In September of the same year Gabrielsson and Larson decided to have ten trial cars made at their own expense. The first of them was completed in June 1926.

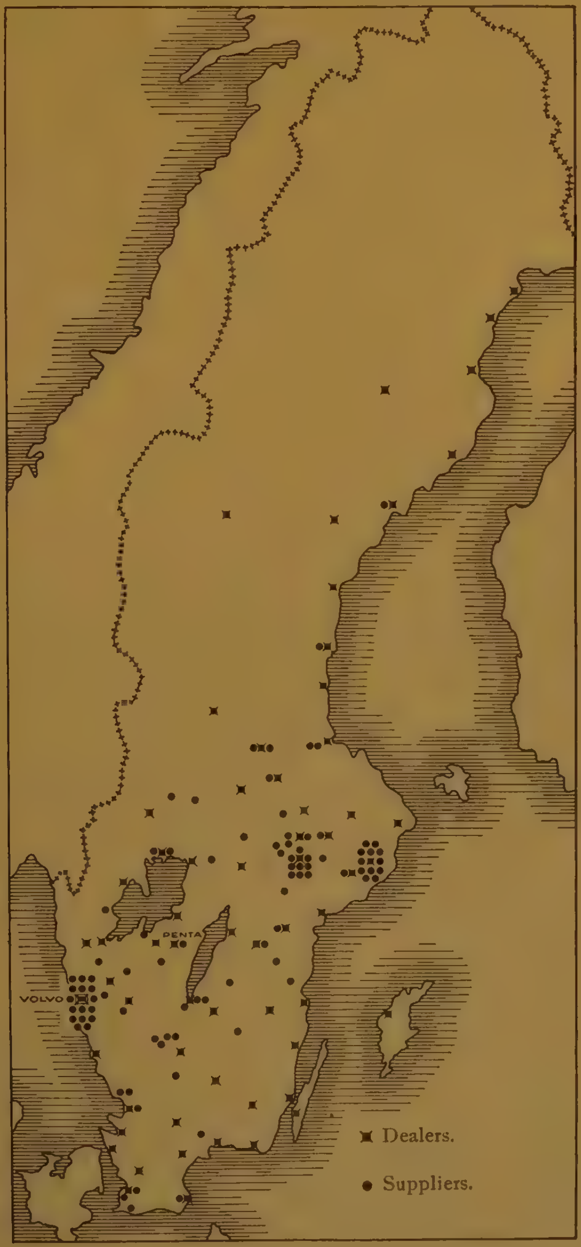
AB. Volvo was then already in existence in the form of a small patent company, with a share capital of 200,000 kronor, entirely controlled by SKF. It had been founded in the year 1914. On the 10th August 1926 the Directors of SKF decided that the enterprise initiated by Gabrielsson and Larson should be taken over by AB. Volvo, and granted the credits necessary for the manufacture of a trial series of 1,000 cars.

Provision had thus been made for the *start* of this enterprise. But another three years elapsed before its continuance could be regarded as assured. During the first twenty-eight months the



Volvo's output for export and sale in Sweden.

Volvo's suppliers and Swedish dealers.



business was carried on at a loss. The Company then developed rapidly, as is shown by the following brief records from its history.

1927: On the 14th April the first car made in series left the factory.

1928: The first motor lorry. 24 cars exported to Finland.

1930: Share capital raised from 200,000 to 4,200,000 kronor. The new shares were subscribed solely by SKF. The controlling interest in the Penta Works acquired. The factory plants hitherto rented were purchased. An agreement concluded for the manufacture of Hesselman naphtha motors on license.

1931: The first dividend: 6 per cent., retroactive also for the years 1927—1929.

1935: Share capital raised from 4,200,000 to 13,000,000 kronor. The new shares subscribed solely by SKF. The directors of SKF, being convinced that the Volvo Company would now be able to stand on its own legs, decided to distribute the shares in that company among the shareholders of SKF. The Volvo shares were introduced on the Stockholms Exchange. The Penta Company was wound up and absorbed by Volvo.

1937: Share capital raised from 13,000,000 to 18,200,000 kronor.

The rapid development of the Company's business is shown also by the following figures for the sale of Volvo cars:

	Sales value of cars in mill. kr	Number of cars sold	
		Total	For export
1927	1.4	297	—
1928	3.9	983	24
1929	6.4	1,383	27
1930	9.9	1,998	155
1931	9.3	1,869	242
1932	12.2	2,448	489
1933	13.0	2,557	665
1934	16.4	2,984	772
1935	17.4	3,079	674
1936	23.8	4,176	923
1937	35.9	6,325	1,702

In the course of these years altogether 28,000 cars were produced, with an aggregate value of approximately 150 million kronor. In spite of political unrest and economic disturbances abroad, the exports have increased at a more rapid pace than the sales on the home market, averaging 60 per cent. a year, as compared with 36 per cent. for sales within the country. The distribution among the different markets of the 1,702 cars exported in 1937 is shown below:

	Number
Scandinavia	775
Baltic countries	218
The Continent	194
Mediterranean countries	193
South America	262
Other countries	60
Total	1,702

The Volvo Company's present position on the Swedish automobile market is indicated by the following registrered figures for 1937:

Passenger cars		*Lorry and omnibus chassis*	
Make	*Number*	*Make*	*Number*
Ford V-8	4,449	**Volvo**	**2,759**
Chevrolet	3,700	Chevrolet	2,680
Opel	2,866	Ford	1,693
Volvo	**1,601**	Dodge	634
Ford Junior	1,585	International . . .	450
Dodge	1,516	Bedford	311
Plymouth	1,418	Scania	241
D. K. V.	1,085	Oldsmobil	187

Particulars regarding Volvo's output and sales in 1937, showing the proportion between the production of passenger cars and lorries etc., and between the sales on the home and foreign markets, are given below:

	Sales in Sweden	Exports	Total	Percentage of total sales
	Number of cars	Number of cars	Number of cars	
Passenger cars . . .	1,740	56	1,796	28.4
Lorry and omnibus chassis	2.883	1,646	4,529	71.6
Total	4,623	1,702	6,325	
Percentage of total sales	73.1	26.9		

For some time past the proportion between passenger cars and lorries has been shifting in favour of the former. Thus for the last three years the production of passengers cars shows an average increase of 44 per cent. a year, as compared with 25 per cent. for motor lorries, etc.

Particulars showing the proportion between the production of the different classes of cars in 1937 are given below:

Passenger cars

Class	*Number of cars*
Ordinary passenger cars	1,557
Taxi cars	239

Lorry chassis

Loading capacity	
1 —2½ tons	539
2¾—3½ »	2,127
3½—4 »	939
4¼—5 »	343

Omnibus chassis

Passenger capacity	
29 persons	339
34 »	235
45—53 »	7

Marine motors. With the acquisition of the Penta Works, Volvo took over also that company's manufacture of marine and stationary motors. The output in 1937 was 2,400 motors, with a sales value of 2,500,000 kronor. The bulk of this output, namely 60 per cent., consists of outboard motors, the remainder of inboard and stationary motors.

The exports, which in that year amounted to about 45 per cent. of the total output, are distributed among some seventy countries. That is to say, they extend practically to the whole globe, except the United States of America.

THE ECONOMIC SITUATION DURING THE FIRST QUARTER OF 1938

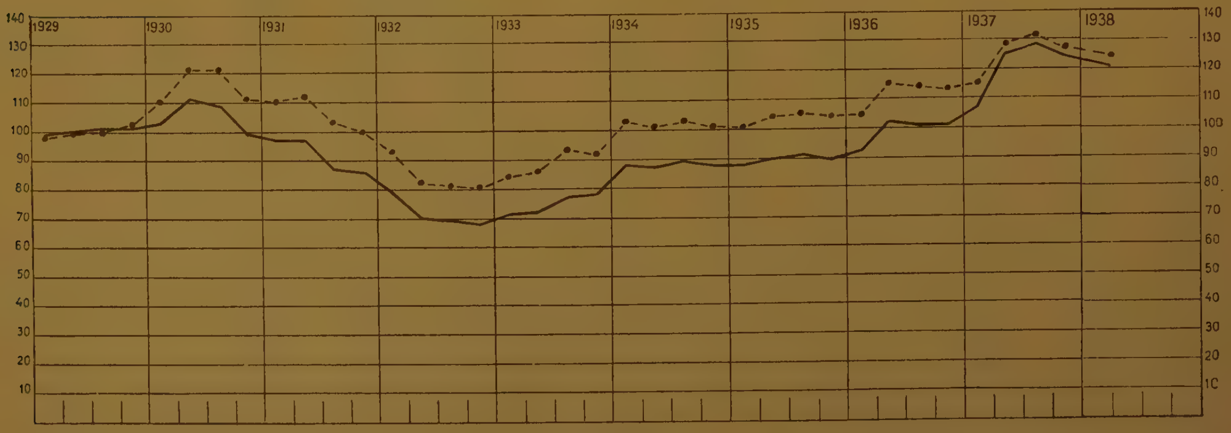
The General Situation. The slowing-down of the boom in Sweden, which became noticeable in the last months of 1937, has been manifested also during the first quarter of the present year. The business activity index of this Bank, based on the value of clearing, reached the peak figure of 127.7 (1929 = 100) in the third quarter of last year: for the past quarter it has fallen to 120.7. Though this shrinkage is to some extent due to the fall of prices, it also reflects to a certain degree a reaction to the abnormally high volume of business during the price advance of 1936—1937.

After November 1937 the fluctuation of quotations on the world market for raw products kept for some months within comparatively narrow limits. Broadly speaking, however, the markets have not shown much stability: since the middle of March 1938 there have been further falls of prices, which in some cases have forced down the quotations to new bottom levels. In Sweden as abroad the unstable price level in several branches has made consumers disinclined to enter into new business transactions, and this has led to a corresponding decrease in the orders booked by manufacturers. The first unmistakable indications of a decline in Sweden's industrial production manifested themselves in the past quarter. According to estimates made by the Federation of Swedish Industries, this production in the last quarter of 1937 was about 48 per cent. larger than in 1929, but has subsequently shown a decrease of about 4 per cent.

Business activity on the home market has naturally slowed down particularly in those branches which are most affected by the non-replenishment of consumers' stocks, notably the iron and steel and textile industries. Thus the visible consumption of finished iron (manufacture plus import minus export) was about 40 per cent. less in the first two months of this year than during the same period in 1937. This has largely had a repercussion on the importa-

Business Activity Index of the Skandinaviska Bank.

Season adjusted index numbers relating to the clearing turnover (1929 = 100).



——— Original figures referring to the value of the clearing.

- - - - - - - - Quantity figures (after re-reckoning on the basis of the average of the wholesale price and the cost-of-living indices.)

tion of iron, which from the autumn of 1936 to the summer of 1937 had been greatly stimulated by the large demand, but since then has shown a rapid recession. When the stocks of the large consumers and middlemen have been further reduced, the demand for iron will presumably increase, especially as building activity is likely to be maintained on a considerable scale. Setting aside iron, importation in general has been well kept up, especially in regard to raw materials required by industries.

As regards exports, the quantum of foreign trade shows some diminution in the case of wood pulp, paper and sawn wood goods, whereas the export of iron ore, iron and machinery is proceeding on a record scale for this season of the year. There is still some stagnation on the world market in regard to the products of the wood-working industries. The Swedish pulp and newsprint mills have, as we know, sold 85 and 80 per cent., respectively, of their output for this year; it has been agreed that the production of kraft paper and greaseproof shall be reduced by 35 per cent. and that of sulphite paper by 25 per cent.; and as regards sawn wood goods the exporting countries in Europe have decided to reduce the export quota to 3.42 million standards, as compared with 3.60 million in September 1937 and 4 million previously.

Parallel with production and the volume of trade on the home market, foreign trade likewise shows a slight decline after the high-pitched business activity during the latter part of 1937. The value figures for exports and imports during the first two months of the present year, are however, higher than for the same period in 1929—1936, whilst the surplus of imports is unusually small. It should, however, be noted that the commercial exchanges this year have been largely effected at prices stipulated in previously concluded contracts.

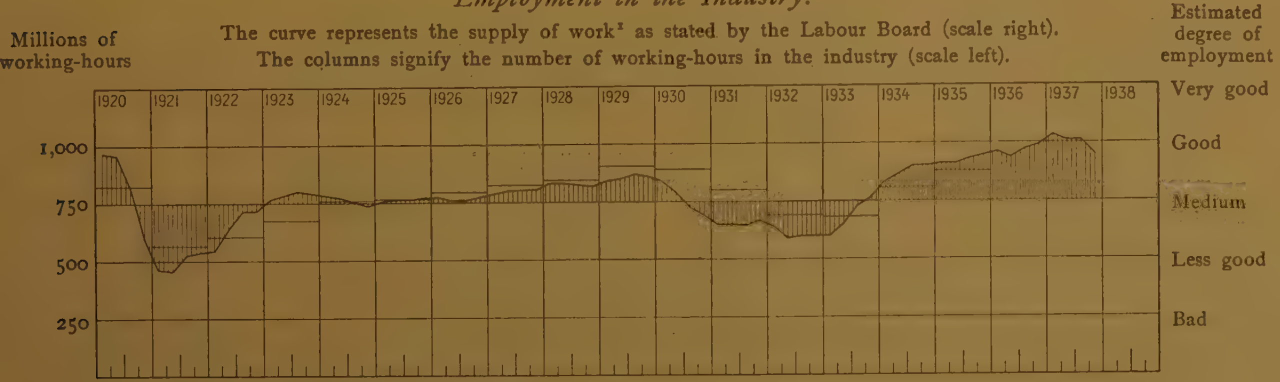
	Imports	Exports	Surplus of imports
	Million kronor		
Jan.—Feb. 1929	210	187	23
» » 1930	263	211	52
» » 1931	206	151	55
» » 1932	185	140	45
» » 1933	156	127	29
» » 1934	188	156	32
» » 1935	208	163	45
» » 1936	248	196	52
» » 1937	276	238	38
» » 1938	306	279	27

Sweden's monetary position in relation to foreign countries is shown by the following table, in which figures for the note circulation have been included for the purpose of comparison.

	31/12 1935	31/12 1936	31/12 1937
	Million kronor		
Gold stock and foreign net claims of the Riksbank			
Book value	1,036,8	1,246,2	1,522,4
Market value	1,404.5	1,715,0	2,007,7
Net claims (+) or net indebtedness (—) of commercial banks in relation to foreign countries			
Book value	+ 202,2	+ 136,8	— 46,0
Note circulation	785,9	893,0	980,1

Employment in the Industry.

The curve represents the supply of work[1] as stated by the Labour Board (scale right).
The columns signify the number of working-hours in the industry (scale left).



---

[1] The season variations have been eliminated.

Exports	Wood Goods 1,000 m³	Wood Pulp (estimated air-dry weight 1,000 tons)				Paper and Pasteboard 1,000 tons
		Mechanical	Sulphite	Sulphate	Total	
Jan.—Feb.						
1929 . .	338	23.0	79.1	28.0	130.1	63.51
1930 . .	324	25.1	84.7	37.6	147.4	79.87
1931 . .	179	21.1	67.2	47.8	136.1	61.51
1932 . .	233	17.7	90.0	50.5	158.2	87.63
1933 . .	259	35.8	110.2	47.5	193.4	75.06
1934 . .	183	34.9	115.7	86.2	236.8	81.44
1935 . .	218	29.5	124.6	76.5	230.6	91.11
1936 . .	306	36.8	142.4	92.7	271.9	100.15
1937 . .	205	37.6	159.4	111.0	308.0	101.97
1938 . .	200	31.5	146.8	84.1	262.4	81.78

Exports	Iron Ore 1,000 tons	Pig Iron etc. 1,000 tons	Wrought Iron and Steel 1,000 tons	Workshop[1] Products Mill. kr.	Butter tons	Bacon tons
Jan.—Feb.						
1929 . .	1,033	7.99	17.69	13.6	3,640	2,277
1930 . .	1,345	5.96	16.98	18.4	5,068	3,437
1931 . .	413	5.15	11.13	14.3	4,058	5,273
1932 . .	254	3.80	11.68	10.2	2,789	3,582
1933 . .	288	4.76	9.14	8.8	2,307	2,079
1934 . .	455	8.95	12.45	10.8	3,804	2,746
1935 . .	1,042	9.66	13.46	11.3	3,521	2,197
1936 . .	1,546	13.22	16.02	13.8	2,691	2,264
1937 . .	1,637	15.15	21.76	15.7	3,553	2,240
1938 . .	2,021	19.54	24.20	17.9	4,789	2,193

---

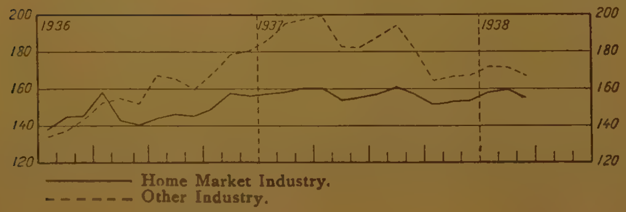
[1] Includes only the products of large exporting workshops.

As will be seen from the above figures, the gold stock and foreign exchange holdings of the Riksbank at market value suffice for the full cover of the note circulation and more than a milliard kronor in addition. At the end of 1937 the difference between the market value and the book value of the gold stock and foreign exchange held by the Riksbank amounted to 485 million kronor, out of which 272 million kronor figured in a difference-of-exchange account entered as an asset, the remaining 213 million kronor thus representing a hidden reserve. The increase in the aggregate gold and foreign exchange holdings of the Riksbank and commercial banks, taken together, amounted to 110 million kronor in 1937 and to 244 million kronor in 1936. During the years which have elapsed since 1931 Sweden has in fact accumulated very large reserves of foreign currency, thanks to continuous surpluses of income in her balance of international payments, so that she will be in a strong position to meet the over-balance of expenditure which may possibly result from an eventual shrinkage of her export markets.

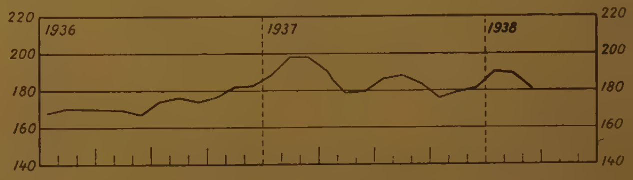
The commercial banks have transferred considerable holdings of foreign exchange to the Riksbank. At the end of February in the years 1936—1938 their indebtedness to foreign countries was 255, 448 and 379 million kronor respectively, being mainly due to the deposits of foreign banks, firms and private persons. The welcome diminution of these deposits in recent months is connected with the fact that, in important cases, interest is no longer paid on them. The chief reason why the Swedish commercial banks now hold larger foreign balances than they had two years ago is that Stockholm has latterly been developing into a financial centre for the Scandinavian and Baltic countries in their monetary transactions with the rest of the

Share Index Numbers.

Industry.

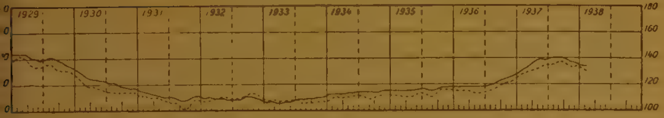


Banks.



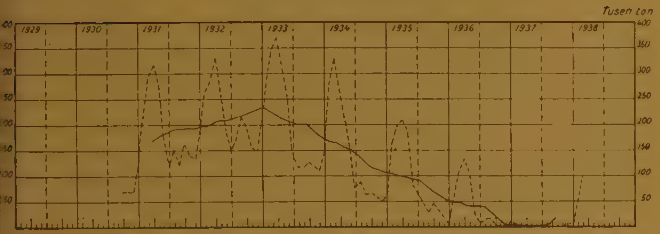
Price Index of the Board of Trade.

——— = all goods.
- - - - - - - = raw products.
(Average 1913 = 100.)

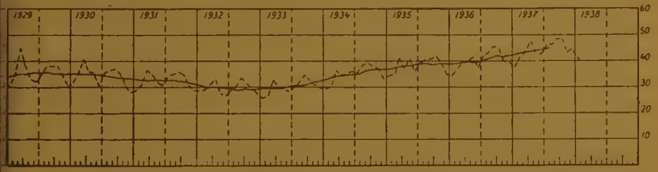


Laid up Swedish Tonnage.

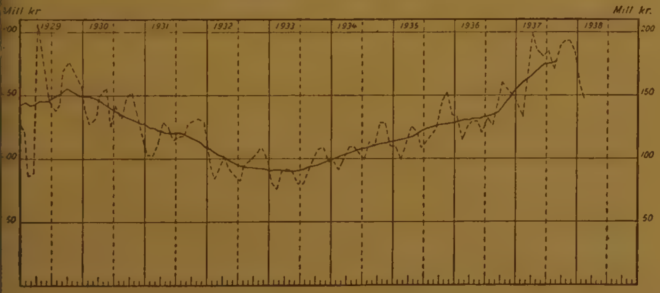
(1,000 tons gross)



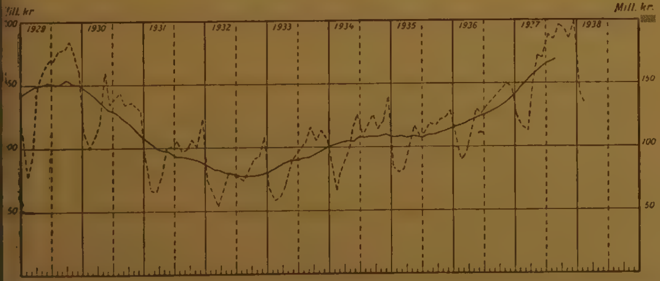
Millions of Axle-Kilometers travelled by Loaded Goods Trucks on the State Railways.



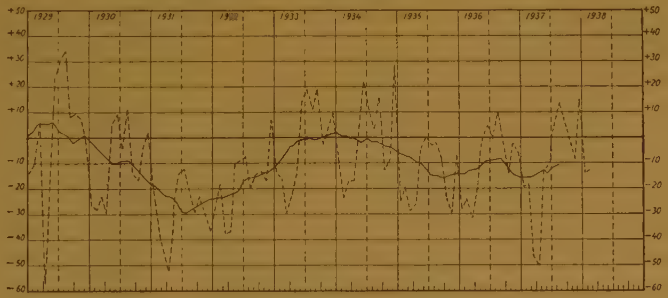
Import of Sweden.



Export of Sweden.

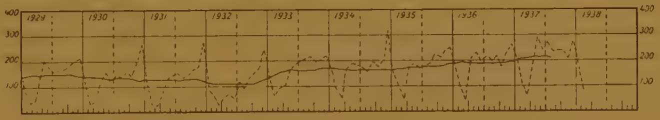


Monthly Import Surplus (−) or Export Surplus (+) in Mill. Kr.



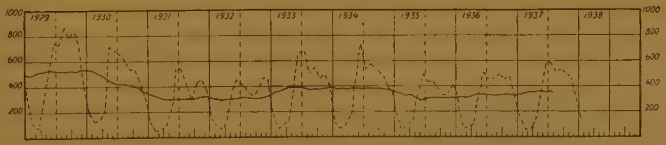
Export of Paper Pulp.

(Estimated air-dry weight in 1,000 tons.)



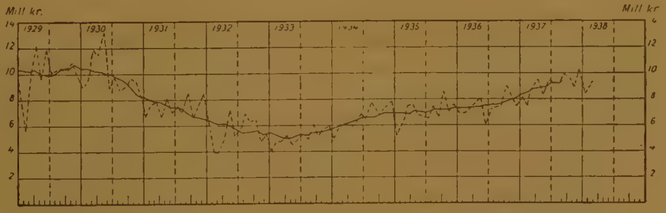
Export of Woodgoods.

(1,000 m³.)



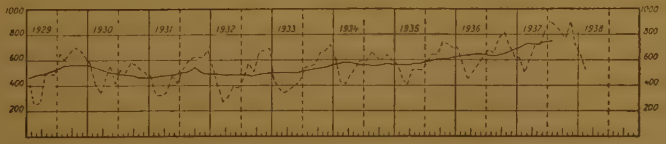
Export of Products of the Engineering Works.

(Mill. kr.)



Import of Coal and Coke.

(1,000 tons.)



Everywhere except in the first diagram the dotted line indicates the original figures and the solid line the moving 12 months' averages.

world. This development has been favoured by the absence of currency restrictions in Sweden as well as by the fact that Swedish business in this line is on such a large scale that it serves as a basis for the concentration of the currency transactions in this part of the globe.

The Stock Market. The average prices, in percentage of par, of the different groups of shares listed on the Stockholm Exchange are shown in the table and graphs below. The share prices of the various companies have been »weighted» according to the value of the transactions in those shares on the stock exchange in the years 1932—1936.

After the fall in August to October 1937 share prices recovered somewhat till the middle of February. Since then, in consequence of political unrest, events of great international importance, new falls of prices on the world commodity markets, as well as falls of stocks and shares on leading foreign bourses, share prices on the Stockholm Exchange have again shown a declining tendency. Dealings in shares, however, have been on rather a small scale. During the last quarter the transactions per day on 'Change amounted to 1.22 million kronor, as compared with 2.29 million kronor during the same period in 1937.

The stock market has been sustained by the favourable Directors' Reports published by most of the companies. Thus, the Directors of 31 industrial companies listed on the stock exchange, despite of large writing-off, have proposed a dividend exceeding by more than one-fifth that which was paid last year, besides which considerable profits have been carried over to next year. (This does not include companies which have recently returned capital to their shareholders, but have not reduced the total amount paid in dividend). On the basis of the share prices at the end of March 1938, the proposed dividend is equivalent to 4.90 per cent. as regards 8 commercial banks, to 5.91 per cent. in the case of three industrial companies whose shares are listed also on foreign bourses, and to 5.58 per cent. for 36 remaining industrial companies.

The Bond Market. The following table gives approximate figures for the yield (in percentage) corresponding to the market value of representative Swedish bonds during the last few months.

	Number of loans	1937			1938			
		15/10	16/11	14/12	14/1	15/2	15/3	1/4
Swedish Government.								
3 % 1934 Conv. 1944 .	1	3.05	3.04	2.98	2.75	2.25	2.27	2.37
3 % 1937 Conv. 1947 .	1	3.04	2.96	2.86	2.70	2.49	2.42	2.57
Mortgage Banks.								
3 % Conv. 1944—47 .	4	3.07	3.03	2.91	2.76	2.44	2.36	2.48
Municipalities.								
3, 3¼ and 4 % Conv. 1943—46	3	3.07	3.01	2.88	2.84	2.77	2.63	2.70
Industrial Companies.								
3¼ % Conv. 1947 . . .	3	3.18	3.16	3.05	2.97	2.97	2.91	2.97
3½ % » 1947 . . .	1	3.28	3.25	3.15	3.03	3.02	2.93	2.93
4 % » 1945 . . .	1	3.32	3.32	3.22	3.18	3.18	3.16	3.29

	1936	1937												1938			
	Jan.	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	1 Apr.
Home industry	138	157	158	160	160	154	155	157	161	157	152	153	154	158	160	155	149
Other industry	134	186	195	198	200	183	183	189	194	181	164	166	168	172	172	167	155
Of which																	
Grängesberg	78	177	212	232	238	215	215	234	242	218	182	195	209	219	209	197	178
Exporting engineering industry .	167	223	225	227	225	213	211	212	217	208	192	187	192	196	189	187	181
Other, including iron and steel ind.	148	196	207	209	201	184	182	189	194	177	166	168	168	173	176	172	152
Wood-goods and pulp-ind. . .	108	146	153	150	157	142	142	147	154	143	129	131	127	131	133	128	118
Mixed wood and iron ind. . .	143	186	186	196	211	184	188	198	200	180	170	176	174	176	188	187	172
Banks	168	189	198	198	190	179	180	187	188	184	176	179	182	191	189	181	173

Note. Where not otherwise stated, the figures are for the middle of the month.

As will be seen from the above figures, the rising tendency of bond prices continued during the past quarter. There have been only a few large issues, and bonds of previous loans have changed hands merely on a small scale. Towards the end of the quarter bond prices have weakened somewhat, parallel with the falling tendency on the stock market.

The principal bond loans issued during the first quarter of this year were:

	Rate of interest in %	Face value in kronor	Issue price in %
Konungariket Sveriges Stadshypotekskassa	2½	25,000,000	[1]
Svenska Bostadskreditkassan	3	10,000,000	[1]
AB. Blekinge Kustbanor	3	3,350,000	98 [2]
Munksjö AB.	3¼	4,000,000	[3]
City of Bergen	3½	6,000,000	99
City of Helsingfors	3½	8,800,000	100

---

[1] Sold privately.

[2] In connection with the conversion of previous loan.

[3] On exchange against bonds of a previous loan 100½ %, on cash subscription 101 %.

Some Statistical Data Concerning

Currency Reserve, Stock of Gold, Note Circulation.

	Net Claims of Banks on Abroad million kronor (End of month)									The Riksbank's								
	Riksbank			Commercial banks[1]			Total[1]			Stock of Gold (million kr.)			Stock of Gold and Net Claims on Abroad (million kr.)			Note Circulation (million kr.)		
	1936	1937	1938	1936	1937	1938	1936	1937	1938	1936	1937	1938	1936	1937	1938	1936	1937	1938
Jan.	598	734	972	197	74	−55	795	808	917	429	529	540	1027	1263	1512	702	804	880
Feb.	593	818	921	181	− 41	−38	774	777	883	440	530	557	1033	1348	1431	712	797	870
March	575	831		173	− 78		748	753		454	531		1029	1362		741	826	
I (Average)	589	794		184	− 15		773	779		441	530		1030	1324		718	809	
April	544	827		188	− 91		732	736		461	532		1005	1359		744	812	
May	506	874		191	−118		697	756		484	533		990	1407		728	800	
June	496	907		209	−149		705	758		509	534		1005	1441		755	826	
II (Average)	515	869		196	−119		711	750		485	533		1000	1402		742	813	
July	518	921		189	−138		707	783		510	535		1028	1456		739	818	
Aug.	533	960		207	−120		740	840		511	536		1044	1496		756	839	
Sept.	556	1014		211	−153		767	861		526	536		1082	1550		789	875	
III (Average)	536	965		202	−137		738	828		516	536		1051	1501		761	844	
Oct.	604	1027		165	−122		769	905		526	537		1130	1564		796	865	
Nov.	652	1030		151	−112		803	918		528	538		1180	1568		785	868	
Dec.	717	984		137	− 46		854	938		529	539		1246	1522		845	927	
IV (Average)	658	1013		151	− 93		809	920		528	538		1185	1551		809	887	
Notes	The figures comprise balances with foreign customers and holdings of foreign bills and foreign bonds less amounts due to foreign customers.									At end of month. Gold stock and currencies partly booked below market values.						Monthly averages		

[1] The figures have been revised to comprise also other foreign customers than banks and bankers.

Rates of Exchange.

	Nominal Quotations of the Commercial Banks (Monthly Averages)											
	London Kr. for £ 1			New York Kr. for $ 1			Paris Kr. for 100 francs			Berlin Kr. for 100 Rmk		
	1936	1937	1938	1936	1937	1938	1936	1937	1938	1936	1937	1938
Jan.	19.402	19.400	19.405	3.918	3.961	3.885	25.974	18.500	13.085	158.630	159.521	156.948
Feb.	19.400	19.400	19.411	3.888	3.970	3.872	25.990	18.504	12.810	158.550	160.000	157.008
March	19.401	19.400	19.420	3.910	3.980	3.900	25.960	18.324	12.315	158.330	160.380	157.294
I (Average)	19.401	19.400	19.412	3.905	3.970	3.886	25.975	18.443	12.737	158.503	159.967	157.083
April	19.403	19.408		3.931	3.954		25.928	17.838		158.370	159.433	
May	19.400	19.402		3.908	3.935		25.764	17.654		157.860	158.333	
June	19.400	19.400		3.871	3.939		25.533	[2] 17.566		156.261	158.083	
II (Average)	19.401	19.403		3.903	3.943		25.742	[2] 17.686		157.497	158.616	
July	19.400	19.402		3.869	3.913		25.646	15.026		156.297	157.620	
Aug.	19.400	19.400		3.867	3.901		25.485	14.700		155.702	157.298	
Sept.	19.400	19.400		3.856	3.924		[1] 25.343	13.983		155.120	157.654	
III (Average)	19.400	19.401		3.864	3.913		[1] 25.491	14.570		155.706	157.524	
Oct.	19.400	19.400		3.965	3.921		18.542	13.237		159.741	157.789	
Nov.	19.400	19 403		3.975	3.891		18.510	13.250		160.370	157.344	
Dec.	19.400	19 406		3.961	3.887		18.500	13.250		159.792	157.074	
IV (Average)	19.400	19.403		3.967	3.900		18.517	13.246		159.968	157.402	

[1] Up to September 25th 1936, inclusive. — [2] Up to June 28th 1937, inclusive.

Sweden's Economic Position.

Commercial Banks, Stock Exchange.

	Commercial banks									**Share Quotations**						**Shares sold** on the Stockholm Stock Exchange (1000 kr.)		
	Deposits (million kr.)			**Loans** incl. bills rediscounted (million kr.)			**Cash** (million kr.)			**Home Industry**			**Other Industry**					
	1936	1937	1938	1936	1937	1938	1936	1937	1938	1936	1937	1938	1936	1937	1938	1936	1937	1938
Jan.	3736	3935	4038	3809	3964	4047	376	598	679	138	157	158	134	186	172	927	1361	1357
Feb.	3723	3988	4023	3845	4019	4086	348	702	613	144	158	160	137	195	172	583	1930	926
March	3764	4064		3882	4064		280	756		145	160	155	143	198	167	531	2439	1386
I (Average)	**3741**	**3990**		**3845**	**4016**		**335**	**685**		**142**	**158**	**158**	**138**	**193**	**170**	**680**	**1910**	**1223**
April	3749	4046		3918	4076		280	727		158	160		152	200		441	1950	
May	3683	4057		3899	4067		208	728		143	154		154	183		618	1350	
June	3716	4058		3878	4070		281	732		141	155		152	182		834	1329	
II (Average)	**3716**	**4054**		**3898**	**4071**		**256**	**729**		**147**	**156**		**153**	**188**		**631**	**1543**	
July	3772	4119		3874	4028		383	809		144	157		166	189		635	2087	
Aug.	3802	4146		3881	4042		417	840		146	161		166	194		873	1340	
Sept.	3873	4184		3912	4076		452	858		145	157		159	181		518	1154	
III (Average)	**3816**	**4150**		**3889**	**4049**		**417**	**836**		**145**	**158**		**164**	**188**		**675**	**1527**	
Oct.	3864	4213		3926	4096		503	876		149	152		168	164		644	1561	
Nov.	3790	4067		3971	4116		405	687		158	153		178	166		541	2082	
Dec.	3833	3990		3992	4090		465	606		156	154		180	168		726	1801	
IV (Average)	**3829**	**4090**		**3963**	**4101**		**458**	**723**		**154**	**153**		**175**	**166**		**637**	**1815**	
Notes	Deposits from and loans to the public within the country (at the end of the respective month)						Cash in hand, credit balances on cheque accounts with the Riksbank et cetera			The figures denote mid-monthly average prices.						Averages per Stock Exchange business day		

Rates of Interest and Price Level.

	Rediscount Rate of the Riksbank (%)			**Yield of Bonds** (%)						**Wholesale Price Index (Board of Trade)** (1913 = 100)						**Cost of Living Index** (July 1914 = 100)		
				Govt. Loans			Industrial Loans			All Goods			Raw Materials					
	1936	1937	1938	1936	1937	1938	1936	1937	1938	1936	1937	1938	1936	1937	1938	1936	1937	1938
Jan.	2.00	2.00	2.00	3.29	3.05	2.75	3.72	.	2.97	118	129	135	115	127	132	158	158	165
Feb.	2.00	2.00	2.00	3.25	3.03	2.25	3.62	3.04	2.97	118	132	134	115	129	130	.	.	.
March	2.00	2.00	2.00	3.25	3.05	2.27	3.55	3.22	2.91	118	136		115	131		.	.	.
I (Average)	**2.00**	**2.00**	**2.00**	**3.26**	**3.04**	**2.42**	**3.63**	.	**2.95**	**118**	**132**		**115**	**129**				
April	2.00	2.00		3.15	3.12		3.50	3.28		118	138		114	132		158	161	165
May	2.00	2.00		3.17	3.13		3.43	3.25		118	139		113	134		.	.	
June	2.00	2.00		3.17	3.07		3.43	3.25		118	139		113	135		.	.	
II (Average)	**2.00**	**2.00**		**3.16**	**3.11**		**3.45**	**3.26**		**118**	**139**		**113**	**134**				
July	2.00	2.00		3.18	3.08		3.29	3.25		119	140		114	135		158	162	
Aug.	2.00	2.00		3.12	3.06		3.31	3.24		120	140		116	136		.	.	
Sept.	2.00	2.00		3.06	3.05		3.27	3.19		122	140		118	137		.	.	
III (Average)	**2.00**	**2.00**		**3.12**	**3.06**		**3.29**	**3.23**		**120**	**140**		**116**	**136**				
Oct.	2.00	2.00		3.08	3.05		3.34	3.18		123	139		120	135		157	165	
Nov.	2.00	2.00		3.06	3.03		3.24	3.16		124	137		121	133		.	.	
Dec.	2.00	2.00		3.05	2.98		3.15	3.05		126	136		124	134		.	.	
IV (Average)	**2.00**	**2.00**		**3.06**	**3.02**		**3.25**	**3.13**		**124**	**137**		**122**	**134**				
Notes	Monthly averages			Calculated on market prices at middle of months						Calculated on prices ruling at middle of months						Refers to end of quarters		

Trade and Industry.

	Foreign Trade (million kr.)									Export of Forest Products								
	Import			Export			Excess of Imports (—) or Exports (+)			Sawn and Planed Wood Goods 1000 stds			Paper Pulp 1000 tons			Paper and Pasteboard 1000 tons		
	1936	1937	1938	1936	1937	1938	1936	1937	1938	1936	1937	1938	1936	1937	1938	1936	1937	1938
Jan.	134	142	159	106	123	145	—28	—19	—14	46	30	25	176.0	205.5	182.6	52.5	51.2	46.3
Feb.	115	133	147	91	115	134	—24	—18	—13	11	8	8	95.9	102.5	79.8	47.6	50.7	35.5
March	126	160		94	114		—32	—46		12	10		47.2	60.2		54.8	56.6	
I (Average)	**125**	**145**		**97**	**117**		**—28**	**—28**		**23**	**16**		**106.4**	**122.7**		**51.6**	**52.8**	
April	130	199		112	149		—18	—50		15	16		206.3	190.1		51.0	62.2	
May	130	184		129	171		— 1	—13		64	58		233.4	294.0		48.4	52.0	
June	121	179		126	169		+ 5	—10		103	104		202.8	239.4		41.1	53.4	
II (Average)	**127**	**187**		**122**	**163**		**— 5**	**—24**		**61**	**59**		**214.2**	**241.2**		**46.8**	**55.6**	
July	132	185		132	190		0	+ 5		91	113		217.1	271.9		46.6	51.9	
Aug.	126	171		136	187		+10	+16		96	103		198.9	237.7		56.1	60.3	
Sept.	142	187		140	197		— 2	+10		93	99		216.8	241.6		47.1	56.5	
III (Average)	**133**	**181**		**136**	**191**		**+ 3**	**+10**		**93**	**105**		**210.9**	**250.4**		**49.9**	**56.1**	
Oct.	160	192		145	195		—15	+ 3		95	96		172.8	238.6		56.0	58.9	
Nov.	154	193		151	186		— 3	— 7		100	91		230.6	213.4		54.9	54.5	
Dec.	150	184		144	198		— 6	+14		70	67		263.0	275.7		49.8	55.7	
IV (Average)	**155**	**190**		**147**	**193**		**— 8**	**+ 3**		**88**	**85**		**222.1**	**242.6**		**53.6**	**56.4**	
Notes										Petersburg standard = 4.67 m³			Estimated air-dry weight					

	Export of Iron Ore 1000 tons			Export of Workshop Products million kr.			Index of Production according to Feder. of Swed. Industries (1935 = 100)			Supply of Industrial Work Index numbers			Waggon-axle Kilometres of loaded Trucks on State Railways			Unemployment in Trade Unions (%)		
	1936	1937	1938	1936	1937	1939	1936	1937	1938	1936	1937	1938	1936	1937	1938	1936	1937	1938
Jan.	659	696	928	6.88	8.14	8.43	103	113	119	.	.		34.4	37.8	41.1	19.0	16.2	15.3
Feb.	686	786	850	6.93	7.58	9.42	104	114	119	.	.		37.0	41.3		18.0	14.8	
March	751	958	892	8.26	8.85		105	116		.	.		39.8	43.3		16.5	14.3	
I (Average)	**699**	**813**	**890**	**7.36**	**8.19**		**104**	**114**		**3.71**	**4.01**		**37.1**	**40.8**		**17.8**	**15.1**	
April	748	980		7.59	9.52		106	118		.	.		39.6	47.6		13.8	11.1	
May	744	835		8.12	8.30		107	119		.	.		41.7	43.3		10.2	8.3	
June	948	1098		7.07	9.40		107	120		.	.		37.4	42.4		9.3	7.7	
II (Average)	**813**	**971**		**7.93**	**9.07**		**107**	**119**		**3.82**	**4.10**		**39.6**	**44.4**		**11.1**	**9.0**	
July	905	1228		7.33	9.24		107	120		.	.		42.2	46.1		8.1	6.4	
Aug.	751	1231		7.36	9.22		109	121		.	.		43.0	46.3		8.0	6.2	
Sept.	861	1134		7.48	9.88		111	122		.	.		45.6	48.4		8.6	6.8	
III (Average)	**839**	**1198**		**7.39**	**9.45**		**109**	**121**		**3.91**	**4.06**		**43.6**	**46.9**		**8.2**	**6.5**	
Oct.	902	987		9.09	9.65		112	123		.	.		44.7	48.5		10.3	8.3	
Nov.	806	1062		8.26	8.89		113	123		.	.		40.1	43.8		12.3	11.1	
Dec.	632	989		7.32	10.20		114	122		.	.		39.7	44.6		17.5	17.8	
IV (Average)	**780**	**1013**		**8.22**	**9.58**		**113**	**123**		**3.97**	**3.80**		**41.5**	**45.6**		**13.4**	**12.4**	
Notes	Shipments of the Grängesberg Co.			Motors, electr. machinery, ball bearings, separators, telephones, etc.			Seasonal change removed			The figure 3 denotes normal supply of work			Million kilom. per month			% of total members at end of month		

Stockholm 1938. Kgl. Boktr. P. A. Norstedt & Söner 381182

Quotations of Swedish Bonds. — *Kursnotierungen für schwedische Obligationen.*

In percentage; ex interest. — *In %, exclusive Zinsen.*

April 1938
April 1938

Quoted on the Stock Exchange	Terms of Redemption *Tilgungsmodalitäten* D = Drawings *Auslosung* P = Purchase *Rückkauf* R = Perpetual Loan *Staatsrente*	Redeemable in Whole *Konvertibel*	Interest Dates *Zinstermine* *	Prices (bid) *Notierungen (Geld)* 1937	1938				*An der Börse eingeführt*
				30/12	28/1	25/2	29/3	5/4	
Swedish									*Schwedischer*
Government 2½ % 1935	Maturity *Rückzahlung* 1947		15/4—15/10	101¾	102½	103½	—	102¾	*Staat* 2½ % 1935
› 3 › 1934	R	30/12 1944	30/6—30/12	101¼	102½	104½	104	102¼	› 3 › 1934
› 3 › 1937 Febr.	1938—1997 D P	1/2 1947	1/2—1/8	101¾	102¾	104¾	104	103	› 3 › 1937 Febr.
› 3 › 1937 March	1938—1997 D P	1/3 1947	1/3—1/9	102	102¾	104¾	104½	103	› 3 › 1937 März
› 3½ › 1933	R	1/11 1943	1/5—1/11	106¾	107	107½	107¼	107	› 3½ › 1933
› 3½ › 1934	1945—1974 D	1/10 1944	1/4—1/10	107½	108	108	107½	108	› 3½ › 1934
› 4 › 1931	1932—1981 D P[1]	15/5 1941	15/5—15/11	107	107	107	106	106	› 4 › 1931
› 4 › 1933	R	15/3 1943	15/3—15/9	110	110½	110¾	110	110	› 4 › 1933
› 4 › 1933	R	1/10 1943	1/4—1/10	110	110½	110¾	110	110	› 4 › 1933
› 4 › 1933	1934—1958 D P[2]	15/10 1944	15/4—15/10	109½	110¼	110¾	110	110	› 4 › 1933
› 4½ › 1929	R	15/12 1939	15/6—15/12	106	105¾	105¾	105½	105¼	› 4½ › 1929
› 4½ › 1930	R	15/9 1940	15/3—15/9	107½	107¼	108	107¾	107¼	› 4½ › 1930
› 4½ › 1932	R	15/4 1942	15/4—15/10	111½	111½	111¾	111¾	111½	› 4½ › 1932
SVERIGES ALLM. HYPOTEKSBANK 3 % 1935	1945—2005 D P	30/3 1945	30/3—30/9	101¼	102¾	104¾	104	103½	SVERIGES ALLM. HYPOTEKSBANK 3 % 1935
(Royal Swedish Mortgage Bank) 3 › 1935 II	1945—1964 D 1965—2005 D P	30/9 1945	30/6—30/9	101¼	102¾	104¾	104	103¾	(*Schwed. Reichs-Hypothekenbank*) 3 › 1935 II
› › 3 › 1937	1947—1999 D P	1/6 1947	1/6—1/12	101¼	102¾	104½	104	103¼	› › 3 › 1937
› › 3½ › 1935	1945—2000 D	30/12 1945	30/6—30/12	106¾	—	—	107	—	› › 3½ › 1935
› › 3¾ › 1934	1935—1994 D P	15/7 1994	15/1—15/7	107½	107½	108	108	108	› › 3¾ › 1934
› › 4 › 1878	1884—1959 D P		30/6—31/12	109½	110	110½	110½	110½	› › 4 › 1878
› › 4 › 1879	1880—1/8 1939 D		1/2—1/8	102	102	102	102	101	› › 4 › 1879
	Twice a year. *Zweimal jährlich.*								
› › 4 › 1931	1932—1991 D P	15/6 1941	15/6—15/12	107¼	107¼	107	106	105¾	› › 4 › 1931
› › 4 › 1933	1943—2003 D P	1/12 1943	1/6—1/12	108	109	109	108	108	› › 4 › 1933
› › 4½ › 1929	1949—2009 D P	15/10 1939	5/4—15/10	105	104¾	105¼	105	104¾	› › 4½ › 1929
› › 4½ › 1931	1951—2011 D P	1/6 1941	11/6—1/12	109½	109½	110¼	110½	110	› › 4½ › 1931
KON. SVERIGES STADSHYPOTEKSKASSA 3 › 1934	1944—2008 D P	1/5 1944	1/5—1/11	101	102½	104	103	102¾	KON. SVERIGES STADSHYPOTEKSKASSA 3 › 1934
(Swedish Cities' Mortgage Bank) 3 › 1935	1945—2009 D P	15/3 1945	15/3—15/9	101¼	102¾	104½	—	103¼	(*Stadthypothekenkasse Schwedens*) 3 › 1935
3¼ › 1937	1947—2006 D P	1/3 1947	1/3—1/9	104½	104¼	105	105	104	3¼ › 1937
› › 3½ › 1933	1943—2002 D P	15/6 1943	15/6—15/12	106½	106¾	107	106½	106	› › 3½ › 1933
› › 3½ › 1935	1945—2004 D P	15/1 1945	15/1—15/7	106¾	107	107¾	107¼	107½	› › 3½ › 1935
› › 3½ › 1936	1946—2005 D P	15/3 1946	15/3—15/9	106¾	107	108	107	107¼	› › 3½ › 1936
› › 4 › 1931	1941—2000 D P	1/2 1941	1/2—1/8	107½	107¼	107¾	107	106¼	› › 4 › 1931
› › 4 › 1934	1944—2003 D P	15/1 1944	15/1—15/7	110½	110½	110¾	110	110¼	› › 4 › 1934
› › 4½ › 1930	1940—1989 D P	1/6 1940	1/6—1/12	107½	107½	108½	107	107	› › 4½ › 1930
› › 4½ › 1932	1942—1991 D P	1/1 1942	1/2—1/8	111½	112	112½	112	111¾	› › 4½ › 1932
› › 4½ › 1933	1943—1992 D P	1/4 1943	1/4—1/10	113	113	113½	114	113½	› › 4½ › 1933
› › 5 › 1931	1941—1990 D P	1941	15/2—15/8	111¼	111½	111¼	110	—	› › 5 › 1931
SVENSKA BOSTADSKREDITKASSAN[3] 3¼ › 1937	1947—1977 D P	15/7 1947	15/1—15/7	103	103	104	103½	—	SVENSKA BOSTADSKREDITKASSAN[3] 3¼ › 1937
› › 3½ › 1934	1944—1974 D P	15/10 1944	15/4—15/10	105	—	—	—	—	› › 3½ › 1934
› › 5 › 1930	1940—1970 D P	15/7 1940	15/1—15/7	108	107¼	107¾	107½	107½	› › 5 › 1930
› › 5 › 1932	1942—1972 D P	15/1 1942	15/1—15/7	110½	—	—	110½	110½	› › 5 › 1932
SVENSKA SKEPPSHYPOTEKSKASSAN[4] (No. 1) 5 › 1930	Maturity *Rückzahlung* 1/3 1950	1/3 1940	1/3—1/9	108	107	107	107	106½	SVENSKA SKEPPSHYPOTEKSKASSAN[4] (No. 1) 5 › 1930
› (No. 2) 5 › 1931	› › 1/12 1951	1/12 1941	1/6—1/12	109	108	108½	108	—	› (No. 2) 5 › 1931
STHLMS INT. GAR. A.-B. (The Mortgage Bank of Stockholm Ltd) 3 › 1934	1944—1993 D P	1/12 1944	1/6—1/12	101½	—	—	104	—	STHLMS INT. GAR. A.-B. (*Stockholmer Hypotheken-Garantie A. G.*) 3 › 1934
› › 4½ › 1931	1941—1990 D P	15/1 1941	15/1—15/7	107	—	—	107	107	› › 4½ › 1931
SV. OBLIGATIONSKREDIT A.-B.[5] Ser. II 4½ › 1923	1924—1965 D P	1/10 1939	1/4—1/10	103	103	103¾	100	100	SV. OBLIGATIONSKREDIT A.-B.[5] Ser. II 4½ › 1923
› › IV 6½ › 1924	1925—1949 D P	1934	15/4—15/10	100	100	100½	95	90	› › IV 6½ › 1924
› › › V 6 › 1930	1932—1957 D P	1935	2/1—1/7	99	100	100	—	—	› › › V 6 › 1930
› › › VI 6 › 1930	1931—1968 D P	1/12 1940	1/6—1/12	96½	98¾	99½	—	—	› › › VI 6 › 1930
› › › VII 4½ › 1935	1939—1/12 1959 D P	1/12 1944	1/6—1/12	103	103¼	104	—	80	› › › VII 4½ › 1935
City of Stockholm 3 › 1925	1926—1965 D P	15/3 1945	15/3—15/9	101	103	—	103	103	*Stadt Stockholm* 3 › 1925
› › 3¼ › 1936	1937—1966 D P	1/5 1946	1/5—1/11	103½	—	104¼	104½	104½	› › 3¼ › 1936
› › 4½ › 1931	1932—1971 D P	15/5 1941	15/5—15/11	107	—	106¼	105¾	105½	› › 4½ › 1931
› › Conv. 5 › 1918	1919—1958 D P	15/10 1938	15/4—15/10	103	—	102¾	102¼	102	› › *Konv.* 5 › 1918
› › › 5 › 1918	1919—1958 D P	15/3 1939	15/3—15/9	103	—	102¾	102½	—	› › › 5 › 1918
› › 5 › 1932	1933—1962 D P	15/3 1942	15/3—15/9	110	110	—	109	109	› › 5 › 1932
City of Gothenburg 4 › 1906	1907—1946 D P	1916	15/4—15/10	101	101½	—	101	100½	*Stadt Gotenburg* 4 › 1906
› › conv. 4 › 1922	1923—1956 D P	31/12 1943	30/6—31/12	105	—	—	105½	—	› › *konv.* 4 › 1922

---

[1] After 15/5 1941. — *Vom 15/5 1941 an.*

[2] After 15/4 1944. — *Vom 15/4 1944 an.*

[3] The Residential Mortgage Bank of Sweden, founded in 1929, is the central organization of a number of local credit associations having for object to grant loans to their members against mortgages on houses. It has a guaranty fund of 30 mill. Kr. in 4½ % Government bonds placed at its disposal by the Government. — *Schwedische Wohnungshypotheken-Kasse, die im Jahre 1929 gegründet wurde, ist das Zentralinstitut einer Anzahl lokaler Kreditkassen, die den Zweck haben, an ihre Mitglieder Anleihen gegen Haushypotheken zu bewilligen. Die Bank hat einen Garantiefonds von 30 Mill. Kr. in 4½ % Schwed. Staatsobligationen, die vom Staate zu ihrer Verfügung gestellt wurden.*

[4] The Swedish Ship Mortgage Bank, founded in 1929, has for object to grant loans against mortgages on Swedish ships. As a guaranty fund for the Bank the Government has placed at its disposal Swedish Government bonds for 10 mill. Kr. — *Der Zweck der Schwedischen Schiffshypotheken-Kasse, die im Jahre 1929 gegründet wurde, ist gegen Sicherheit von Hypotheken auf schwedische Schiffe Anleihen zu gewähren. Als Grundfonds für die Kasse stellt der Staat schwedische Staatsobligationen im Betrage von 10 Mill. Kr. zur Verfügung.*

[5] The Svenska Obligationskredit A.-B. is a joint stock company established by four leading Swedish banks for the purpose of negotiating credits preferably with foreign countries. Its share capital amounts to Kr. 10 000 000. The series II is secured by 6 % Finnish Govt. bonds of 1924, the series IV by 7 % German Govt. bonds of 1924, the series V by 7 % Austrian Govt. bonds of 1930, the series VI by 6 % Greek Govt. bonds of 1931 and the series VII by 4½ % Austrian Govt. bonds of 1935. — *Die Svenska Obligationskredit A.-B. ist eine von vier leitenden Banken Schwedens gegründete Aktiengesellschaft, welche die Vermittlung von Krediten vorzugsweise mit dem Ausland bezweckt. Ihr Aktienkapital beträgt Kr. 10 000 000. Die Sicherheit für Serie II besteht aus 6 % Obl. des Finnl. Staates von 1924, für Serie IV aus 7 % Obl. des Deutschen Reichs von 1924, für Serie V aus 7 % Obl. des Österreichischen Staates von 1930, für Serie VI aus 6 % Obl. des Griechischen Staates von 1931 und für Serie VII aus 4½ % Obl. des Österreichischen Staates von 1935.*

* **Amortization-dates underlined. — *Tilgungstermine unterstrichen.***

SKANDINAVISKA
KREDITAKTIEBOLAGET
STOCKHOLM, 16

*MEMBER OF THE
STOCKHOLM
STOCK
EXCHANGE*

Offers complete facilities for the execution of stock exchange transactions, and undertakes the safe custody and handling of securities on behalf of customers

Telephone number: Stockholm 0101
Telegraphic address: Kreditbolaget

*MITGLIED DER
STOCKHOLMER
EFFEKTEN-
BÖRSE*

Ausführung von Börsengeschäften jeder Art. Aufbewahrung und Verwaltung von Wertpapieren für Rechnung der Kunden

Fernsprecher: Stockholm 0101
Telegrammadresse: Kreditbolaget

Stockholm 1938. Kgl. Boktr. P. A. Norstedt & Söner 381376

SKANDINAVISKA KREDITAKTIEBOLAGET

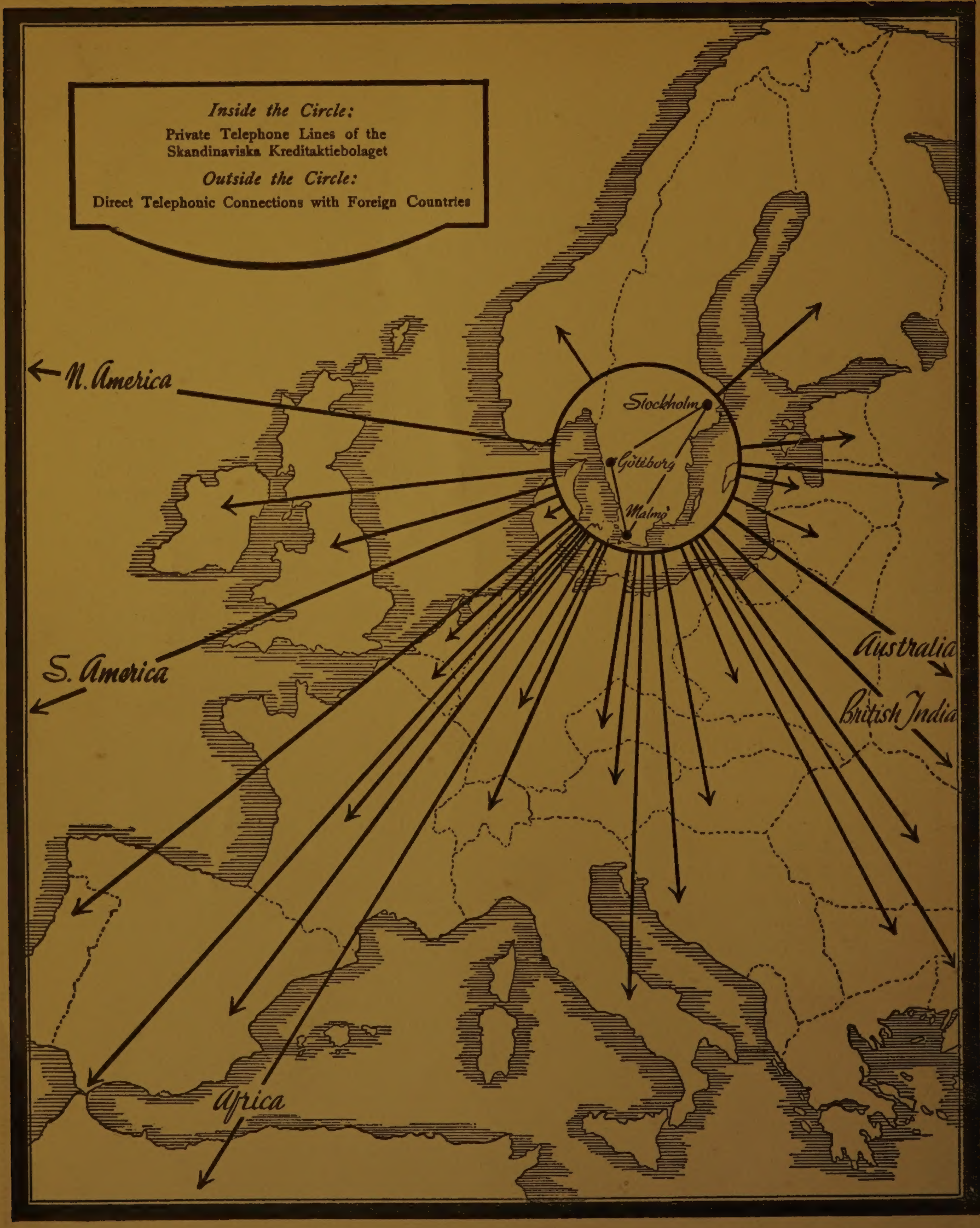
STATEMENT OF CONDITION MARCH, 31st, 1938

Assets

Cash in hand		Kr. 169.583.102: 34
Bills:		
Swedish	Kr. 273.129.443: 41	
Foreign	» 14.784.671: —	» 287.914.114: 41
Loans (secured)		» 338.398.841: 25
Current Accounts (secured)		» 78.548.605: 01
Swedish Banks		» 4.831.056: 22
Foreign Banks		» 34.537.561: 39
Sundry Accounts		» 29.499.648: 21
Bonds		» 61.889.668: 59
Shares		» 163.702.377: 93
Bank Buildings & Furniture		» 15.902.114: —
		Kr. 1.184.807.089: 35

Liabilities

Bills at sight in circulation (»postremiss» bills)		Kr. 14.625.516: 60
Deposits:		
at sight	Kr. 195.395.031: 53	
at notice	» 601.329.314: 67	» 796.724.346: 20
Swedish Banks		» 42.077.709: 72
Swedish Savings Banks		» 39.185.011: 56
Foreign Banks		» 40.095.937: 39
Sundry Accounts		» 40.098.567: 88
Registered Certificates of the Bank (»Förlagsbevis»):		
3½ % of 1937		» 50.000.000: —
Share Capital	Kr. 87.188.000: —	
Reserve Funds	» 74.812.000: —	» 162.000.000: —
		Kr. 1.184.807.089: 35



Inside the Circle:
Private Telephone Lines of the
Skandinaviska Kreditaktiebolaget

Outside the Circle:
Direct Telephonic Connections with Foreign Countries